

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2130 - HB 2341**

March 7, 2016

**SUMMARY OF BILL:** Authorizes dependents of certified full-time teachers, or dependents of full-time technology coordinators in any local education agency (LEA), who are under 24 years of age, and whose parent perishes while employed, to receive a 25 percent tuition discount at any state-operated institution of higher learning. Removes the limitation for students receiving the 25 percent tuition discount that states a student must be enrolled in a higher education institution at the time the parent perishes in order to continue qualifying for the tuition discount.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$15,000/FY16-17/TBR**

**\$22,900/FY16-17/UT**

**Exceeds \$15,400/FY17-18 and Subsequent Years/TBR**

**Exceeds \$23,600/FY17-18 and Subsequent Years/UT**

**Assumptions:**

- Currently, pursuant to the provisions of Tenn. Code Ann. § 49-7-119, dependents of all full-time certified teachers and LEA technology coordinators; dependents of retired teachers who have at least 30 years of full-time service; dependents of retired teachers who received disability retirement after at least 25 years of full-time service; and dependents of all of the aforementioned parties whose parent perishes while such students are enrolled at a higher education institution may receive a 25 percent tuition discount.
- This bill will effectively allow a new cohort of students to receive the 25 percent tuition discount; namely dependents of the specified individuals who are under the age of 24 that are not enrolled in a higher education institution at the time the parent perishes.
- Based on information from the Department of Education's 2014 Annual Statistical Report; the Department of Health's mortality rate; the Tennessee Consolidated Retirement System, and FY14-15 data from the state's higher education tuition discount program; an estimated 21 additional students at Tennessee Board of Regents institutions and 21 additional students at University of Tennessee (UT) institutions, will receive the 25 percent tuition discount.
- The estimated 21 students at TBR institutions will receive an average tuition discount of \$712 in FY16-17.

**SB 2130 - HB 2341**

- The estimated 21 students at UT institutions will receive an average tuition discount of \$1,092 in FY16-17.
- The recurring decrease in state tuition revenue to TBR is estimated to be \$14,952 (21 x \$712) in FY16-17.
- The recurring decrease in state tuition revenue to UT in FY16-17 is estimated to be \$22,932 (21 x \$1,092).
- Assuming a minimum increase in tuition of three percent per year, the decrease in state tuition revenue to TBR is estimated to exceed \$15,400 (\$14,952 x 103.0%) in FY17-18 and subsequent years.
- Assuming a minimum increase in tuition of three percent per year, the decrease in state tuition revenue to UT is estimated to exceed \$23,620 (\$22,932 x 103.0%) in FY17-18 and subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp